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Financing of the United Nations Operation in Somalia II

Final performance report of the United Nations Operation in Somalia II

Report of the Secretary-General*

Summary

The present report contains the final performance report of the United Nations Operation in Somalia II and supersedes the revised cost estimates and financial performance data reflected in documents A/49/563/Add.2, dated 23 March 1995, A/49/563/Add.3, dated 9 June 1995, A/49/563/Add.4, dated 17 July 1995 and A/50/741, dated 9 November 1995.

The report contains information on reimbursement to troop-contributing Governments, expenditure, cash position, outstanding liabilities and unpaid assessed contributions.

The actions to be taken by the General Assembly are set out in paragraph 1 of the present report.

* The footnote required in accordance with paragraph 8, section B, of resolution 53/208, by which the General Assembly decided "that if a report is submitted late to the conference services, the reasons for this should be included in a footnote to the document", was not included in the original submission.

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I. Overview

Table 1
Overview of performance
(Thousands of United States dollars)

Category of expenditure	*(1) Expenditure reported in performance reports*	*(2) Actual expenditure*	*(3) Variance (1)-(2)*	*(4) Additional requirements*	*(5) Total requirements (2)+(4)*
Gross requirement	1 699 383.7	1 613 333.0	86 050.7	19 616.0	1 632 949.0
Income from staff assessment	12 966.5	11 226.8	1 739.7	-	11 226.8
Net requirements	1 686 417.2	1 602 106.2	84 311.0	19 616.0	1 621 722.2

1. **For the reasons explained in paragraphs 8 to 13 below, the actions to be taken by the General Assembly are as follows:**

(a) A decision to retain an amount of $19,616,000 gross and net from the balance of appropriations of $40,940,700 gross ($39,990,400 net) to meet the cost of outstanding Government claims;

(b) A decision to temporarily suspend the provisions of financial regulations 4.3, 4.4 and 5.2 (d) in respect of the remaining surplus of $21,324,700 gross ($20,374,400 net) in the light of the continuing cash shortage of the mission.

II. Introduction

2. The United Nations Operation in Somalia (UNOSOM) was established by the Security Council by its resolution 751 (1992) of 24 April 1992 for an initial period of six months and became operational on 1 May 1992. Subsequently, pursuant to Security Council resolution 794 (1992) of 3 December 1992, arrangements were made to deploy the Unified Task Force (UNITAF) to establish as soon as possible a secure environment for humanitarian relief operations under the unified command and control of forces involved. In its further resolution 814 (1993) of 26 March 1993, the Security Council, inter alia, decided to expand the size and mandate of the Operation for an initial period through 31 October 1993. Effective 1 May 1993, the Operation assumed administrative and budgetary control of operations transferred from UNITAF. The mandate of the expanded Operation, thenceforth referred to as UNOSOM II, was extended in subsequent Security Council resolutions, the last of which (resolution 954 (1994) of 4 November 1994) extended the mandate of the Operation for a final period until 31 March 1995. While military contingents of UNOSOM II completed withdrawal from Somalia in early March 1995, provisions were made for the retention of some international civilian and local support staff in Nairobi, Kenya, until 30 June 1995 in connection with the residual administrative tasks related to the closing of the Operation.

3. Information on the disposition of the assets of UNOSOM was contained in the report of the Secretary-General dated 4 May 1998 (A/52/882). The General Assembly has been requested to take note of that report.

III. Status of reimbursement to troop-contributing Governments

A. Troop contributors

4. From the time of the Operation's inception, troops were provided to UNOSOM by the Governments of Australia, Bangladesh, Belgium, Botswana, Canada, Egypt, France, Germany, Greece, India, Indonesia, Ireland, Italy, the Republic of Korea, Kuwait, Malaysia, Morocco, Nepal, New Zealand, Nigeria, Norway, Pakistan, Romania, Saudi Arabia, Sweden, Tunisia, Turkey, the United Arab Emirates, the United States of America and Zimbabwe.

B. Status of reimbursement

5. Full reimbursement of troop costs in accordance with the standard rates of reimbursement has been made.

IV. Contingent-owned equipment

A. Method of reimbursement

6. In paragraph 4 of section I of its resolution 51/218 E of 17 June 1997, the General Assembly reiterated that, for missions activated prior to 1 July 1996, countries had the option to accept reimbursement under either the new or the old reimbursement methodology. Of the 28 Governments that provided contingent-owned equipment to UNOSOM, all have opted for reimbursement under the old system.

B. Requirements

7. As shown in table 2 below, the total requirements for reimbursement of UNOSOM contingent-owned equipment costs are estimated at $134,950,400. This estimate includes $109,460,700 to cover equipment usage charges calculated in accordance with the guidelines provided to troop-contributing countries in the Department of Peacekeeping Operations aide-memoire dated 18 January 1995, under the old system, and $13,481,400 for the cost of consumable items. Progress payments made to troop-contributing countries as at 31 December 2001 in respect of these items amounted to $107,371,300. In addition, the cost of equipment lost in Somalia owing primarily to hostile action is estimated at $12,008,300.

Table 2
Requirements for contingent-owned equipment and consumable supplies
(United States dollars)

Category	*Amount*
Contingent-owned equipment	109 460 700
Consumable supplies	13 481 400
Subtotal	**122 942 100**
Progress payments	(107 371 300)
Subtotal	**15 570 800**
Equipment losses	12 008 300
Total due	**27 579 100**

V. Financial performance report

8. A total of $1,804,404,500 gross ($1,785,763,000 net) was appropriated by the General Assembly and apportioned among Member States for the operation of UNOSOM. Expenditure amounting to $1,699,383,700 gross ($1,686,417,200 net) was reported in the performance reports dated 29 June 1993 (A/47/916/Add.1), 15 July 1994 (A/48/850/Add.1), 9 June 1995 (A/49/563/Add.3), 17 July 1995 (A/49/563/Add.4) and 9 November 1995 (A/50/741). Decisions were taken by the General Assembly on the treatment of unencumbered balances amounting to $150,130,800 gross ($143,666,400 net) reported for the period from 1 May 1992 to 31 May 1994.

9. There is currently an unencumbered balance of appropriations amounting to $40,940,700 gross ($39,990,400 net) due to savings resulting from the cancellation of prior period obligations. The details are provided in table 3 below.

Table 3
Summary of resources
(United States dollars)

	Gross	*Net*
1. Appropriations	1 804 404 500	1 785 763 000
2. Expenditure	1 613 333 000	1 602 106 200
Total, 1 less 2	**191 071 500**	**183 656 800**
Credits applied to Member States	150 130 800	143 666 400
Balance of appropriations	**40 940 700**	**39 990 400**

10. Funds are needed to settle outstanding claims for contingent-owned equipment, goods and services provided under letters of assist, and death and disability claims,

which exceed amounts recorded in accounts payable. As can be seen in table 4 below, this shortfall amounts to $19,616,000. All of these requirements, however, can be met by the unencumbered balance of appropriations.

Table 4
Shortfall in resources for settlement of outstanding claims
(United States dollars)

	Amount
Requirements	
Contingent-owned equipment[a]	27 579 100
Government claims	3 436 900
Subtotal	**31 016 000**
Amounts recorded in accounts payable	11 400 000
Shortfall	**19 616 000**

[a] See table 2.

11. While there is no need to appropriate additional resources for the United Nations Operation in Somalia II, payment of these outstanding claims cannot be effected owing to the shortage of cash in the UNOSOM II special account. The cash position in relation to the amounts owed is shown in table 5 below.

Table 5
Financial position as at 31 December 2001
(United States dollars)

	Amount
Cash balance	42 766 000
Cash requirements	
Amounts owed to Governments in accounts payable	13 380 000
Other amounts in accounts payable	3 751 000
Outstanding claims[a]	19 616 000
Outstanding loans	32 900 000
Other liabilities	380 000
Subtotal	**70 027 000**
Operating deficit	**(27 261 000)**

[a] See table 4.

12. The cash shortage referred to in paragraph 11 above is a result of the high level of unpaid assessed contributions. The status of assessed contributions to the United Nations Operation in Somalia II as at 31 December 2001 is detailed in table 6 below. The Secretary-General appeals to Member States that have not paid in full their

assessed contributions to the Operation to do so in order to permit full reimbursement to be made to troop contributors.

Table 6
Status of assessed contributions as at 31 December 2001
(United States dollars)

	Amount
Appropriations (gross)	1 804 404 500
Applied credits:	
Income from staff assessment	(8 341 594)
Unencumbered balance	(150 130 800)
Subtotal	**(158 472 394)**
Net amount assessed	1 645 932 106
Payment received	1 584 498 878
Unpaid assessed contributions	61 433 228

13. All cash resources that were recorded in the United Nations Operation in Somalia II special account, including interest income and miscellaneous income, have been utilized to meet the operating costs of the mission. A summary of other income is provided in table 7 below for information purposes. In view of the continuing cash shortage in the special account, the concurrence of the General Assembly is sought to suspend the provision of financial regulations 4.3, 4.4 and 5.2 (d) in respect of the remaining surplus of $21,324,700 gross ($20,374,400 net).

Table 7
Other income as at 31 December 2001
(United States dollars)

	Amount
Transfer from other funds[a]	103 000
Interest income	8 403 409
Miscellaneous income	6 712 616

[a] From the Trust Fund for Somalia-Unified Command.